

Senate Bill 106

By: Senator Hill of the 32nd

A BILL TO BE ENTITLED
AN ACT

To amend Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes, so as to provide for the obtaining and maintaining of certain creditable health insurance coverage as a condition of claiming certain exemptions and receiving refunds; to require certain individuals to prove ability to pay for medical expenses; to provide for escrow accounts for such individuals; to provide for alternate bonding requirements; to provide for related matters; to provide for an effective date and applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes, is amended by adding a new article to read as follows:

"ARTICLE 8

48-7-190.

(a) Effective January 1, 2010, the following individuals who are over the age of 18 and have not yet attained the age of 65 and whose annual gross income exceeds 300 percent of the federal poverty level for the immediately preceding calendar year shall offer proof of their ability to pay for medical care for themselves and their dependents:

(1) Residents of Georgia; or

(2) Within 63 days of establishing residency, individuals who become residents of Georgia.

(b) Individuals subject to the requirement in subsection (a) of this Code section shall be deemed to be in compliance with said requirement if they:

(1) Indicate coverage under any health benefit plan in accordance with Code Section 33-62-13;

(2) Demonstrate proof of financial security in accordance with subsection (c) of this Code section; or

(3) Demonstrate proof of coverage under a high deductible major medical health insurance plan that provides a minimum of \$10,000.00 in benefits.

(c) Pursuant to paragraph (2) of subsection (b) of this Code section, individuals electing to demonstrate proof of financial security to pay for medical expenditures shall present to the commissioner of revenue a bond in the amount of \$10,000.00 or shall deposit with the commissioner of revenue \$10,000.00 in an escrow account that shall bear interest at a rate established by the commissioner of revenue.

(d) If, in any tax year, an individual subject to the requirement in subsection (a) of this Code section fails to comply with such requirement and is required to file a return under Article 2 of this chapter, such individual shall not be allowed to claim and receive on such return any personal exemptions specified under Code Section 48-7-26 nor shall such individual be allowed to claim any medical expenses as itemized deductions on such return.

(e) With respect to any escrow account established in accordance with this Code section by reason of an individual's making the election specified in subsection (c) of this Code section:

(1) The amount deposited, retained, or collected shall not exceed \$10,000.00 in the aggregate for any such individual;

(2) Nothing in this Code section shall be construed to authorize the commissioner of revenue to retain any amount for such purposes that otherwise would be paid to a claimant agency or agencies of the State of Georgia as debts;

(3) Moneys shall be disbursed by the commissioner of revenue only to pay for medical claims for health care services provided to the individual during the period when the individual was not in compliance with subsection (a) of this Code section;

(4) The commissioner of revenue shall close the account and remit the remaining funds to the individual within 90 days of receiving notification that the individual has:

(A) Elected to comply with the requirement of subsection (a) of this Code section by submitting proof of insurance coverage in accordance with paragraph (1) of subsection (b) of this Code section; or

(B) Is no longer subject to subsection (a) of this Code section by reason of no longer being a resident of this state; and

(5) If the commissioner of revenue determines that an individual for whom an account has been established has not been a resident of this state for a consecutive period of 36 months or more, the commissioner of revenue shall close the account and remit the remaining funds to the individual or, if the commissioner of revenue cannot locate the

61 individual, shall dispose of the funds in accordance with the provisions of law concerning
62 unclaimed property."

63 **SECTION 2.**

64 This Act shall become effective on January 1, 2010, and shall be applicable to all taxable
65 years beginning on and after January 1, 2011.

66 **SECTION 3.**

67 All laws and parts of laws in conflict with this Act are repealed.